

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2013

### Statement of Financial Position as at 30 June 2013

		2013	Restated
	Note(s)	R	2 012
			R
<b>Assets</b>			
<b>Current Assets</b>			
Inventories	3	14 064 258	14 554 517
Consumer debtors	4	96 111 503	85 723 876
Receivables from exchange transactions	5	361 856	361 856
Cash and cash equivalents	6	173 803 354	134 143 930
Receivables from non-exchange transactions	37	7 742 786	905 652
		<b>292 083 757</b>	<b>235 689 831</b>
<b>Non-Current Assets</b>			
Property plant and equipment	7	823 939 473	760 165 095
Other financial assets	8	224 854	211 425
		<b>824 164 327</b>	<b>760 376 520</b>
<b>Total Assets</b>		<b>1 116 248 084</b>	<b>996 066 351</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Provisions	9	13 964 050	13 305 888
Payables from exchange transactions	10	57 236 509	32 762 859
Unspent conditional grants and receipts	11	78 568 964	93 492 095
VAT payable	12	8 820 724	15 901 248
Other financial liabilities	14	7 503 900	6 783 488
		<b>166 094 147</b>	<b>162 245 578</b>
<b>Non-Current Liabilities</b>			
Other financial liabilities	14	74 972 947	82 473 418
Provisions	9	14 777 542	13 680 539
		<b>89 750 489</b>	<b>96 153 957</b>
<b>Total Liabilities</b>		<b>255 844 636</b>	<b>258 399 535</b>
<b>Net Assets</b>		<b>860 403 448</b>	<b>737 666 816</b>
Accumulated surplus		860 403 448	737 666 816

**Moses Kotane Local Municipality**

Annual Financial Statements for the year ended 30 June 2013

**Statement of Financial Performance**

		2013	Restated
	Note(s)	R	2012
			R
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Service charges	16	76 688 921	75 540 019
Sales of housing stands		51 155	420 289
Interest received	24	23 595 467	20 068 055
Commissions received		95 710	80 195
Other income	18	1 358 638	1 445 568
<b>Total revenue from exchange transactions</b>		<b>101 789 891</b>	<b>97 554 126</b>
<b>Revenue from non-exchange transactions</b>			
<b>Taxation revenue</b>			
Property rates	15	33 594 665	31 894 886
<b>Transfer revenue</b>			
Fines		7 709 050	1 130 660
Government grants & subsidies	17	371 529 131	306 739 211
<b>Total revenue from non-exchange transactions</b>		<b>412 832 846</b>	<b>339 764 757</b>
<b>Total revenue</b>	14	<b>514 622 737</b>	<b>437 318 883</b>
<b>Expenditure</b>			
Employee related cost	20	(102 986 250)	(93 939 933)
Remuneration of councilors	21	(16 894 858)	(15 781 403)
Debt impairment	23	(48 895 182)	(30 602 652)
Depreciation and amortization	25	(62 000 646)	(75 877 615)
Asset impairment	26	-	(807 125)
Repairs and maintenance		(21 441 721)	(14 001 736)
Finance costs	27	(8 632 561)	(9 047 946)
Bulk Purchases	30	(40 098 343)	(39 992 456)
Contracted services	29	(20 319 267)	(20 701 657)
Contribution to provisions	22	(12 672 098)	(11 015 082)
Ward Committees		(2 541 536)	(2 092 318)
General Expenses	19	(57 319 470)	(61 097 161)
<b>Total expenditure</b>		<b>(393 801 932)</b>	<b>(374 957 084)</b>
<b>Operating surplus</b>		<b>120 820 805</b>	<b>62 361 799</b>
Gain (loss) on disposal of assets and liabilities		463 396	(1 539)
<b>Surplus for the year</b>		<b>121 284 201</b>	<b>62 360 260</b>
<b>Attributable to:</b>			
Owners of the controlling entity		121 284 201	62 360 260

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2013

### Statement of Changes in Net Assets

	Accumulated surplus	Total
	R	R
<b>Balance at 01 July 2011</b>	<b>649 026 658</b>	<b>649 026 658</b>
Changes in net assets		
Surplus for the year	62 360 260	62 360 260
Surplus cash used to purchase PPE	3 440 371	3 440 371
Transfers from Government grant reserve	46 942 110	46 942 110
Other movements	-18 832 625	-18 832 625
<b>Balance per prior years Annual Financial Statement:</b>	<b>742 936 774</b>	<b>742 936 774</b>
Prior period error	-5 269 958	-5 269 958
<b>Re Stated Balance at 01 July 2012</b>	<b>737 666 816</b>	<b>737 666 816</b>
Changes in net assets		
Surplus for the year	121 284 201	121 284 201
Other movements	1 452 431	1 452 431
<b>Total changes</b>	<b>122 736 632</b>	<b>122 736 632</b>
<b>Balance at 30 June 2013</b>	<b>860 403 448</b>	<b>860 403 448</b>

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Cash Flow Statement

	Notes	2013 R	2012 R
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Sale of goods and services		75 632 454	108 789 610
Grants		371 529 131	306 739 210
Interest income		23 595 467	20 068 055
Other cash item		9 214 553	-
		<b>479 971 605</b>	<b>435 596 875</b>
<b>Payments</b>			
Employee costs		(119 881 108)	(109 721 336)
Suppliers		(181 145 827)	(157 995 783)
Finance costs		(8 632 561)	(9 047 946)
Other payments		-	(4 515 524)
Other cash item			13 680 537
		<b>(309 659 496)</b>	<b>(267 600 052)</b>
<b>Net cash flows from operating activities</b>	31	<b>170 312 109</b>	<b>167 996 823</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	7	(56 984 008)	(108 311 839)
Proceeds from sale of property, plant and equipment	7	463 412	85 106
Increase (decrease) in other financial assets		(13 429)	(12 904)
Correction of error		1 452 432	
Loss on disposal of property, plant & equipment		-	(652 284)
Change in PPE as a result of GRAP 17 compliance		-	(11 561 903)
Amounts attributable to assets under construction		(68 791 033)	-
<b>Net cash flows from investing activities</b>		<b>(123 872 626)</b>	<b>(120 453 824)</b>
<b>Cash flows from financing activities</b>			
Increase in (Repayment of) other financial liabilities		(6 780 059)	614 413
<b>Net cash flows from financing activities</b>		<b>(6 780 059)</b>	<b>614 413</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>39 659 424</b>	<b>48 157 412</b>
Cash and cash equivalents at the beginning of the year		134 143 930	85 986 518
<b>Cash and cash equivalents at the end of the year</b>	6	<b>173 803 354</b>	<b>134 143 930</b>

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Statement of Comparison of Budget and Actual Amounts

	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual
	R	R	R	R	R
<b>Statement of Financial Performance</b>					
<b>Revenue</b>					
<b>Revenue from exchange transactions</b>					
Service charges	76 926 191	(5 827 991)	<b>71 098 200</b>	76 688 921	5 590 721
Commissions received	-	70 000	<b>70 000</b>	95 710	25 710
Other income 1	-	40 000	<b>40 000</b>	51 155	11 155
Other income - (rollup)	1 882 560	(348 260)	<b>1 534 300</b>	1 358 638	(175 662)
Interest received - investment	16 500 000	3 450 000	<b>19 950 000</b>	23 595 467	3 645 467
<b>Total revenue from exchange transactions</b>	<b>95 308 751</b>	<b>(2 616 251)</b>	<b>92 692 500</b>	<b>101 789 891</b>	<b>9 097 391</b>
<b>Revenue from non-exchange transactions</b>					
<b>Taxation revenue</b>					
Property rates	34 490 000	(2 276 400)	<b>32 213 600</b>	33 594 665	1 381 065
Government grants & subsidies	247 268 000	1 382 882	<b>248 650 882</b>	371 529 131	122 878 249
			-		-
<b>Transfer revenue</b>					
Fines	2 120 910	4 543 590	<b>6 664 500</b>	7 709 050	1 044 550
<b>Total revenue from non-exchange transactions</b>	<b>283 878 910</b>	<b>3 650 072</b>	<b>287 528 982</b>	<b>412 832 846</b>	<b>125 303 864</b>
<b>Total revenue</b>	<b>379 187 661</b>	<b>1 033 821</b>	<b>380 221 482</b>	<b>514 622 737</b>	<b>134 401 255</b>
<b>Expenditure</b>					
Personnel	(116 515 732)	4 181 761	<b>(112 333 971)</b>	(102 986 250)	9 347 721
Remuneration of councilors	(17 221 831)	200 648	<b>(17 021 183)</b>	(16 894 858)	126 325
			-		-
Provision	(800 000)	(4 800 000)	<b>(5 600 000)</b>	(12 672 098)	(7 072 098)
Depreciation and amortization	(67 993 395)	(18 138 353)	<b>(86 131 748)</b>	(62 000 646)	24 131 102
			-		-
Finance costs	(10 050 679)	-	<b>(10 050 679)</b>	(8 632 561)	1 418 118
Debt impairment	(41 379 643)	(3 700 000)	<b>(45 079 643)</b>	(48 895 182)	(3 815 539)
Contribution to traffic fines	-		-		-
Repairs and maintenance	(33 998 900)	4 515 200	<b>(29 483 700)</b>	(21 441 721)	8 041 979
Bulk purchases	(39 000 000)	-	<b>(39 000 000)</b>	(40 098 343)	(1 098 343)
Contracted Services	(24 600 000)	1 021 000	<b>(23 579 000)</b>	(20 319 267)	3 259 733
Ward Committees	(4 500 000)	540 000	<b>(3 960 000)</b>	(2 541 536)	1 418 464
Transport and Catering	-	-	-	-	-
General Expenses	(75 305 118)	(2 685 003)	<b>(77 990 121)</b>	(57 319 470)	20 670 651
<b>Total expenditure</b>	<b>(431 365 298)</b>	<b>(18 864 747)</b>	<b>(450 230 045)</b>	<b>(393 801 932)</b>	<b>56 428 113</b>
<b>Operating surplus</b>	<b>(52 177 637)</b>	<b>(17 830 926)</b>	<b>(70 008 563)</b>	<b>120 820 805</b>	<b>190 829 368</b>
Gain on disposal of assets and liabilities	-	-	-	463 396	463 396
<b>Surplus for the year</b>					

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2013

### Statement of Comparison of Budget and Actual Amounts

Budget on cash basis

	Approved budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final budget and actual
	R	R	R	R	R
Surplus before taxation	-52 177 637	-17 830 926	-70 008 563	121 284 201	191 292 764
Actual amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement					

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2013

### Notes to the Annual Financial Statements

#### 2. New standards and interpretations

##### 2. New standards and interpretations (continued)

- ☐ An entity is related to the reporting entity if any of the following conditions apply:
- the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
  - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
  - both entities are joint ventures of the same third party;
  - one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the
  - the entity is controlled or jointly controlled by a person identified in (a); and
- Sponsoring employers are related to the entity
- a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

The standard furthermore states that related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

The standard elaborates on the definitions and identification of:

- ☐ Close member of the family of a person;
- ☐ Management;
- ☐ Related parties;
- ☐ Remuneration; and
- ☐ Significant influence

The standard sets out the requirements, inter alia, for the disclosure of:

- ☐ Control;
- ☐ Related party transactions; and
- ☐ Remuneration of management

The standard currently has no effective date.

It is unlikely that the standard will have a material impact on the municipality's annual financial statements

#### 3. Inventories

Maintenance Materials - at Cost  
Water at Cost  
Unsold Properties Held for Resale

2013 R	2012 R
2 318 378	2 779 030
30 480	60 088
11 715 400	11 715 399

The restated balance of the unsold properties held for resale is due to the correction of properties not included as well as properties incorrectly included in the investment property register

<b>14 064 258</b>	<b>14 554 517</b>
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#### 4. Consumer debtors

##### Gross balances

Rates  
Water  
Refuse  
Sanitation  
Water consumption from last reading until 30 June 2013

62 115 618	49 186 533
73 496 144	110 709 095
14 340 021	8 407 708
6 070 547	4 508 275
4 724 815	3 531 043
<b>160 747 145</b>	<b>176 342 654</b>

The restated balance in water debtors is due to the adjustment of debtors in Ledig that was not billed in the previous year

##### Provision for debt impairment

Rates  
Water  
Refuse  
Sanitation

28 031 078	(28 296 658)
26 968 905	(55 291 873)
6 802 908	(4 527 468)
2 832 752	(2 502 779)
<b>64 635 642</b>	<b>(90 618 778)</b>

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2013

### Notes to the Annual Financial Statements

	2013 R	2012 R
<b>4. Consumer debtors (continued)</b>		
<b>Net balance</b>		
Rates	34 084 540	20 889 876
Water	46 527 239	55 417 221
Refuse	7 537 113	3 880 240
Sanitation	3 237 795	2 005 496
Water consumption from last reading until 30 June 2012/2013	4 724 815	3 531 043
	<b>96 111 503</b>	<b>85 723 876</b>
<b>Rates</b>		
Current (0 -30 days)	5 952 797	3 143 664
31-60 days	2 312 160	1 303 139
61 - 90 days	1 829 683	1 042 059
91 - 120 days	1 129 913	1 033 808
121 > 365 days	50 891 065	42 663 864
Less Provision	(28 031 078)	(28 296 658)
	<b>34 084 540</b>	<b>20 889 876</b>
<b>Water</b>		
Current (0 -30 days)	11 486 035	14 710 050
31 - 60 days	6 905 300	6 124 524
61 - 90 days	5 055 045	4 488 957
91 - 120 days	4 635 138	4 182 234
121 - 365 days	45 414 625	81 203 330
Less Provision	(26 968 905)	(55 291 873)
	<b>46 527 238</b>	<b>55 417 222</b>
<b>Sanitation</b>		
Current (0 -30 days)	280 520	311 541
31 - 60 days	254 967	208 224
61 - 90 days	277 948	123 544
91 - 120 days	204 775	113 137
121 >365 days	5 052 337	3 751 829
Less Provision	(2 832 752)	(2 502 779)
	<b>3 237 795</b>	<b>2 005 496</b>
<b>Refuse</b>		
Current (0 -30 days)	571 458	488 976
31 - 60 days	577 037	470 313
61 - 90 days	566 470	456 788
91 - 120 days	555 462	453 336
121 - 365 days	12 069 595	6 538 295
Less Provision	(6 802 908)	(4 527 469)
	<b>7 537 114</b>	<b>3 880 239</b>
<b>Water consumption from last reading until 30 June 2013</b>		
Current (0 -30 days)	4 724 815	3 531 043



# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Notes to the Annual Financial Statements

	2 013	2 012
	R	R
<b>4. Consumer debtors (continued)</b>		
<b>Summary of debtors by customer classification</b>		
<b>Consumers</b>		
Current (0-30days)	13 356 002	14 073 598
31 - 60 days	5 268 009	4 773 334
61 - 90 days	5 157 520	4 450 320
91 - 120 days	4 613 729	4 329 879
121 - 365 days	51 852 911	86 666 578
	80 248 171	114 293 709
<b>Less: Allowance for impairment</b>	<b>(64 635 642)</b>	<b>(90 618 778)</b>
	<b>15 612 529</b>	<b>23 674 931</b>
<b>Industrial/ commercial</b>		
Current (0-30days)	9 213 356	7 821 113
31 - 60 days	4 569 531	3 177 638
61 - 90 days	2 362 593	1 507 465
91 - 120 days	1 775 117	1 300 468
121 - 365 days	56 149 092	42 103 456
	<b>74 069 689</b>	<b>55 910 140</b>
<b>National and provincial government</b>		
Current (0 -30 days)		
Current (0-30days)	446 267	290 563
31 - 60 days	211 924	155 228
61 - 90 days	209 033	153 563
91 - 120 days	136 442	152 168
121 - 365 days	5 425 619	5 387 283
	<b>6 429 285</b>	<b>6 138 805</b>
<b>Total</b>		
Current (0-30days)	23 015 625	22 185 274
31 - 60 days	10 049 464	8 106 200
61 - 90 days	7 729 146	6 111 348
91 - 120 days	6 525 288	5 782 515
121 - 365 days	113 427 622	134 157 317
	160 747 145	176 342 654
<b>Less: Allowance for impairment</b>	<b>(64 635 642)</b>	<b>(90 618 778)</b>
	<b>96 111 503</b>	<b>85 723 876</b>
<b>Reconciliation of allowance for impairment</b>		
Balance at beginning of the year	(90 618 778)	(60 344 986)
Contributions to allowance	(48 895 182)	(30 602 652)
Debt impairment written off against allowance	74 878 318	328 860
	<b>(64 635 642)</b>	<b>(90 618 778)</b>

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2013

### Notes to the Annual Financial Statements

	2 013 R	2 012 R
<b>5. Receivables from exchange transactions</b>		
Sale of Stands Unit 5 Mogwase	361 856	361 856
	<b>361 856</b>	<b>361 856</b>

### 6. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	2 310	2 310
Bank balances	2 576 037	1 861 959
Call investment deposits	171 225 007	132 279 661
	<b>173 803 354</b>	<b>134 143 930</b>

Securities Held at ABSA

General and special notarial bond dated 10/12/2012 on movable equipment.

Unlimited cession dated 23/11/2001 of income streams. First CCMB dated 27/06/2007 for R1 520 000 over Stand 739 Mogwase Unit 2

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cashbook balances		
	30 June 2013	30 June 2012	30 June 2011	30 June 2013	30 June 2012	30 June 2011
ABSA Rustenburg Branch	18 818 850	1 579 795	4 345 267	1 960 880	1 065 017	8 337 733
Account number: 405 041 4471						
Housing Account	440 841	552 994	130 366	440 842	552 944	130 366
Account number: 405 921 9109						
Traffic Account	189 619	243 997	281 992	174 315	243 997	281 992
Account number: 407 011 8019						
Petty cash	-	-	-	2 310	2 310	5 202
ABSA Account number:90 5777	41 568 607	25 618 115	5 851 105	41 568 609	25 618 115	5 851 105
9477						
Call Housing-Account no 40	8 700	8 396	8 066	8 700	8 396	8 066
6782 2645						
ABSA Bank- Account no:40	116 397 196	92 627 895	67 458 797	116 397 196	92 627 895	67 458 797
6677 8588 BANK - Account						
Type - MIG CALL						
Account No 40 6723 1195	13 070 318	12 459 058	3 288 538	13 070 317	12 459 057	3 288 538
Call Civic Centre						
ABSA Account no 40 7270 1220	180 184	1 566 199	624 716	180 185	1 566 199	624 716
<b>Total</b>	<b>190 674 315</b>	<b>134 656 449</b>	<b>81 988 847</b>	<b>173 803 354</b>	<b>134 143 930</b>	<b>85 986 515</b>

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2013

### Notes to the Annual Financial Statements

#### 7. Property, plant and equipment

	2013			2012		
	Cost/ Valuation	Accumulated depreciation and Accumulated impairment	Carrying value	Cost/ Valuation	Accumulated depreciation and Accumulated impairment	Carrying value
Land	8 423 049	-	8 423 049	8 423 049		8 423 049
Buildings	53 045 978	(7 643 373)	45 402 605	48 341 354	(6 142 300)	42 199 054
Infrastructure	1 332 207 849	(645 539 087)	686 668 762	1 233 487 488	(589 897 541)	643 589 947
Community	88 664 888	(22 534 832)	66 130 056	71 969 249	(18 649 913)	53 319 336
Heritage	14 000	-	14 000	14 000		14 000
Other property, plant and equipment	52 163 649	(35 310 955)	16 852 694	49 266 667	(36 646 958)	12 619 709
		-		-		-
<b>Total</b>	<b>1 534 519 413</b>	<b>(711 028 247)</b>	<b>823 491 166</b>	<b>1 411 501 807</b>	<b>(651 336 712)</b>	<b>760 165 095</b>

#### Reconciliation of property, plant and equipment - 2013

	Opening Balance	Additions	Disposals	Transfers	Under	Depreciation	Accumulated depreciation on disposed assets	Total
Land	8 423 049	-						8 423 049
Buildings	42 199 055	-			4 704 623	(1 506 372)		45 397 306
Infrastructure	643 589 947	43 759 332			55 285 714	(55 706 483)		686 928 510
Community	53 319 336	7 894 943			8 800 696	(3 889 666)		66 125 309
Heritage	14 000	-				-		14 000
Other property, plant and equipment	12 619 708	5 329 732	(1 760 546)			(898 125)	1 760 530	17 051 299
	<b>760 165 095</b>	<b>56 984 007</b>	<b>(1 760 546)</b>	<b>-</b>	<b>68 791 033</b>	<b>(62 000 646)</b>	<b>1 760 530</b>	<b>823 939 473</b>

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2013

### Notes to the Annual Financial Statements

#### 7. Property, plant and equipment (continued)

##### Reconciliation of property, plant and equipment - 2012

	Opening Balance	Additions	Capital under construction	Disposals	Adjustment Grap17 Implementation cost	Adjustment Grap17 Implementation cost	Prior period error	Depreciation	Impairment loss	Total
Land	8 578 049	-	-			-	(155 000)	-		8 423 049
Buildings	39 357 537	84 109	4 500 926		662 346	(26 494)	(140 991)	(1 729 696)	(508 682)	42 199 055
Infrastructure	590 314 480	42 195 539	44 465 403		44 447 141	(3 509 776)	1 345 467	(75 668 307)	-	643 589 947
Community	42 850 104	3 884 494	8 429 474		2 658 513	(219 860)	(34 699)	(3 950 247)	(298 443)	53 319 336
Heritage	14 000	-	-			-		-		14 000
Other property, plant and equipment	12 013 255	4 751 894	-	(86 645)		-	559 956	(4 618 752)		12 619 708
	<b>693 127 425</b>	<b>50 916 036</b>	<b>57 395 803</b>	<b>(86 645)</b>	<b>47 768 000</b>	<b>(3 756 130)</b>	<b>1 574 733</b>	<b>(85 967 002)</b>	<b>(807 125)</b>	<b>760 165 095</b>

#### 8. Other financial assets

##### At amortized cost

ABSA fixed deposit

An amount of R107 700 of the investment is ceded to Eskom serving as a electricity deposit at the Civic Centre.

	2013 R	2012 R
ABSA fixed deposit	224 854	211 425

##### Non-current assets

At amortized cost

	<b>224 854</b>	<b>211 425</b>
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## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2013

### Notes to the Annual Financial Statements

#### 9. Provisions

##### Reconciliation of provisions - 2013

	Closing Balance	Additions	Opening Balance
Provision for accumulated leave	13 964 050	658 162	13 305 888
Provision for land fill sites	14 777 542	1 097 003	13 680 539
	<b>28 741 592</b>	<b>1 755 165</b>	<b>26 986 427</b>

##### Reconciliation of provisions - 2012

	Closing Balance	Additions	Opening Balance
Accumulated leave of employees of the council	13 305 888	4 089 613	9 216 275
Landfill site short term portion	13 680 539	13 380 539	300 000
	<b>26 986 427</b>	<b>17 470 152</b>	<b>9 516 275</b>
Non current liabilities	14 777 542		13 680 539
Current liabilities	13 964 050		13 305 888
	<b>28 741 592</b>		<b>26 986 427</b>

The provision for accumulated leave of employees of the council is based on the actual leave days available at reporting date  
date calculated on the annual package of each employee

The provision for long service awards is determined according to the stipulations of the SALGBC

	2 013 R	2 012 R
<b>10. Payables from exchange transactions</b>		
Trade payables	32 509 986	14 594 856
Payments received in advance	5 439 425	4 221 147
Other payables suspense	3 323 063	5 913 830
Retention	11 229 827	4 465 402
Suspense money withheld (Civil Contract)	4 292 800	
Housing - PHP	441 408	554 396
Other payables		3 013 228
	<b>57 236 509</b>	<b>32 762 859</b>

#### 11. Unspent conditional grants and receipts

##### Conditional Grants from other spheres of Government

MIG grants	76 131 575	91 698 192
Drought relieve		439 487
Expanded public works program		483 581
Provincial infrastructure grant		146 524
Mogwase library	495 246	495 246
Mogwase library grant		229 065
EDMS	1 729 650	
Disaster grant	212 493	
<b>Total contribution grants and receipts</b>	<b>78 568 964</b>	<b>93 492 095</b>

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2013

### Notes to the Annual Financial Statements

	2013 R	2012 R
<b>11. Unspent conditional grants and receipts (continued)</b>		
Movement during the year		
Balance at the beginning of the year	93 492 095	91 698 192
Additions during the year	-14 923 131	1 793 903
	<b>78 568 964</b>	<b>93 492 095</b>
See note 18 for reconciliation of grants from other spheres of government.		
<b>12. VAT</b>		
VAT payable	8 820 724	15 901 248
The opening balance has been restated due to the non payment of claim submitted to SARS		
VAT is payable on the receipt basis. Only once payment is received from debtors VAT is paid over to SARS.		
<b>13. Revenue</b>		
Service charges	76 688 921	75 540 019
Commissions received	95 710	80 195
Other income 1	51 155	420 289
Other income	1 358 638	1 445 568
Interest received - investments	23 595 467	20 068 055
Property rates	33 594 665	31 894 886
Government grants and subsidies	371 529 131	306 739 211
Fines	7 709 050	1 130 660
	<b>514 622 737</b>	<b>437 318 883</b>

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2013

### Notes to the Annual Financial Statements

	2013 R	2012 R
<b>13. Revenue (continued)</b>		
<b>The amount included in revenue arising from exchanges of goods or services are as follows:</b>		
Service charges	76 688 921	75 540 019
Commissions received	95 710	80 195
other income 1	51 155	420 289
Other income	1 358 638	1 445 568
Interest received - investments	23 595 467	20 068 055
	<b>101 789 891</b>	<b>97 554 126</b>
<b>The amount included in revenue arising from non-exchange transactions is as follows:</b>		
<b>Taxation revenue</b>		
Property rates	33 594 665	31 894 886
<b>Transfer revenue</b>		
Government grants and subsidies	371 529 131	306 739 211
Fines	7 709 050	1 130 660
	<b>412 832 846</b>	<b>339 764 757</b>
<b>Total Revenue</b>	<b>514 622 737</b>	<b>437 318 883</b>
<b>14. Other financial liabilities</b>		
<b>At amortized cost</b>		
ABSA annuity loan	14 602 945	17 078 795
INCA annuity loan	30 148 742	32 413 955
DBSA annuity loan	37 725 160	39 764 156
Terms and conditions of other financial liabilities are disclosed in Appendix A to the annual financial statements.		
	<b>82 476 847</b>	<b>89 256 906</b>
<b>Total other financial liabilities</b>	<b>82 476 847</b>	<b>89 256 906</b>
<b>Non-current liabilities</b>		
At amortized cost	74 972 947	82 473 418
The restated balance in the ABSA loan for the extension of the Civic Centre is due to interest for June 2012 that was not brought into account at year end for the 2011/2012 Financial Year		
<b>Current liabilities</b>		
At amortized cost	7 503 900	6 783 488

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2013

### Notes to the Annual Financial Statements

	2013 R	2012 R
<b>15. Property rates</b>		
<b>Rates received</b>		
<b>Rates received</b>		
Residential	1 211 831	928 214
Commercial	4 902 520	3 309 801
State	4 539 257	5 487 495
Holiday Resorts	21 453 997	20 721 996
Mining	1 487 060	1 447 380
<b>Total property rates</b>	<b>33 594 665</b>	<b>31 894 886</b>
<b>Valuations</b>		
Residential	920 918 100.00	599 816 342.00
Commercial	888 893 000.00	96 617 402.00
Industrial	28 957 300.00	173 489 000.00
State	96 982 700.00	144 936 000.00
Churches	11 442 000.00	2 171 000.00
Mining	25 277 000.00	198 000 000.00
Other Holiday resorts	178 590 000.00	169 533 000.00
Sun City	535 850 000.00	503 187 000.00
Municipal	97 591 600.00	115 911 000.00
Farms and tribal land	1 516 184 100.00	332 335 456.00
Eskom servitudes	16 170 000.00	154 005 000.00
Agricultural		154 238 000.00
Other	71 666 700.00	
	<b>4 388 522 500.00</b>	<b>2 644 239 200.00</b>
The new general valuation was implemented with effective from July 2012 and its validity expires in June 2016.		
<b>16. Service charges</b>		
Sale of water	69 289 794	69 520 289
Refuse removal	4 776 275	3 737 425
Sewerage and sanitation charges	2 622 852	2 282 305
	<b>76 688 921</b>	<b>75 540 019</b>



# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Notes to the Annual Financial Statements

	2013 R	2012 R
<b>17. Government grants and subsidies</b>		
<b>Operating grants</b>		
Equitable share	228 799 000	203 756 000
Drought Relief Grant	439 487	439 487
Expanded Public Works Programme Grant	1 949 581	483 581
Mogwase Library Grant	629 065	229 065
Provincial Infrastructure Grant	146 524	146 524
Mogwase Library Grant		495 246
Municipal System Improvement Grant	1 000 000	1 000 000
Finance Management Grant	1 500 000	1 250 000
DWA Operating and Maintenance Grant	11 341 000	2 542 000
EDMS Grant	2 270 350	
Disaster Management Grant	87 507	
	<b>248 162 514</b>	<b>210 341 903</b>
<b>Capital grants</b>		
MIG	122 549 908	95 274 167
Project Management Unit	816 709	1 718 690
Bojanala Platinum District Municipality	-	400 000
	<b>123 366 617</b>	<b>97 392 857</b>
	<b>371 529 131</b>	<b>307 734 760</b>
<b>Conditional and Unconditional Equitable Share</b>		
Unconditional grants received	228 799 000	203 756 000
Unconditional grants spend	(228 799 000)	(203 756 000)
	-	-
<b>MIG Grant</b>		
Balance unspent at beginning of year	91 698 192	71 599 955
Current-year receipts	123 800 000	102 056 000
Conditions met - transferred to revenue	(123 366 617)	(78 570 805)
Incorrect system posting during 2011-To be corrected in subsequent year	-	699 400
Retention	-	(4 086 358)
Withheld	(16 000 000)	
Project Management Unit		
	<b>76 131 575</b>	<b>91 698 192</b>
National Treasury reduced the application for roll over projects by R16 000 000 due to the underspending on MIG projects		
The transfer of the equitable share was reduced by R16 000 000 and the roll over projects had to be reduced by the same amount		
Conditions still to be met - remain liabilities (see note 11).		
<b>Drought relief</b>		
Balance unspent at beginning of year	439 487	439 487
Conditions met - transferred to revenue	(439 487)	-
	-	439 487
Conditions still to be met - remain liabilities (see note 11).		
<b>Expanded Public Works Grant</b>		
Balance unspent at beginning of year	483 581	397 000
Current-year receipts	1 466 000	1 111 000
Conditions met - transferred to revenue	(1 949 581)	(1 024 419)
	-	<b>483 581</b>

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2013

### Notes to the Annual Financial Statements

	2013 R	2012 R
<b>17. Government grants and subsidies (continued)</b>		
Conditions still to be met - remain liabilities (see note 11)		
<b>Mogwase Library Grant</b>		
Balance unspent at beginning of year	229 065	-
Current-year receipts	400 000	400 000
Conditions met - transferred to revenue	(629 065)	(170 935)
	<b>-</b>	<b>229 065</b>
Conditions still to be met - remain liabilities (see note 11).		
<b>Provincial Infrastructure Grant</b>		
Balance unspent at beginning of year	146 524	3 000 000
Current-year receipts	-	4 861 774
Conditions met - transferred to revenue	(146 524)	(7 715 250)
	<b>-</b>	<b>146 524</b>
Conditions still to be met - remain liabilities (see note 11).		
<b>Mogwase Libraries Grant</b>		
Balance unspent at beginning of year	495 246	-
Current-year receipts	-	5 000 000
Conditions met - transferred to revenue	-	(4 504 754)
	<b>495 246</b>	<b>495 246</b>
Conditions still to be met - remain liabilities (see note 11).		
<b>Municipal System improvement Grant</b>		
Current-year receipts	1 000 000	1 000 000
Conditions met - transferred to revenue	(1 000 000)	(1 000 000)
	<b>-</b>	<b>-</b>
Conditions still to be met - remain liabilities (see note 11).		
<b>Finance Management Grant</b>		
Current-year receipts	1 500 000	1 250 000
Conditions met - transferred to revenue	(1 500 000)	(1 250 000)
	<b>-</b>	<b>-</b>
Conditions still to be met - remain liabilities (see note 11).		
<b>DWA Operating Grant</b>		
Current-year receipts	11 341 000	2 542 000
Conditions met - transferred to revenue	(11 341 000)	(2 542 000)
	<b>-</b>	<b>-</b>
Conditions still to be met - remain liabilities (see note 11).		

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Notes to the Annual Financial Statements

	2013	2012
	R	R

### 17. Government grants and subsidies (continued)

#### Bojanala Platinum District Municipality

Current-year receipts	-	400 000
Conditions met - transferred to revenue	-	(400 000)
	-	-

Conditions still to be met - remain liabilities (see note 11).

#### EDMS

Current-year receipts	4 000 000	-
Conditions met - transferred to revenue	(2 270 350)	-
	<b>1 729 650</b>	-

Conditions still to be met - remain liabilities (see note 11).

#### Disaster Management grant

Current-year receipts	300 000	-
Conditions met - transferred to revenue	(87 507)	-
	<b>212 493</b>	-

Conditions still to be met - remain liabilities (see note 11).

### 18. Other income

Sundry income	63 080	73 937
Photo copies	6 644	1 500
Clearance certificate	4 760	5 719
Refund LGSETA	567 792	618 440
Water connection fees	54 030	263 490
Transfer MKDA	-	5 178
Advertising	99 763	49 815
Burial fees	16 936	16 210
Property transfer fees	-	300
Building inspection plan fees	147 273	90 301
Tender document sales	273 200	309 562
Blocked drains	1 412	1 674
Surplus on inventory	117 806	9 442
Valuations certificates	345	-
Other income	5 597	-
	<b>1 358 638</b>	<b>1 445 568</b>

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2013

### Notes to the Annual Financial Statements

	2013 R	2012 R
<b>19. General expenses</b>		
Advertising	766 163	846 352
Audit and Accounting Fees	2 184 157	3 087 288
Community development and training	1 211	56 470
Compilation of Valuation Roll	467 764	1 077 850
Consulting and professional fees	4 285 406	7 013 266
Software expenses	2 954 162	2 432 905
Conferences and seminars	767 026	939 065
Entertainment	359 951	745 493
Gender and Children Programme	195 968	394 441
Venue expenses	804 471	1 708 264
HIVS and AIDS Programme	21 039	130 723
IDP Revision Process	592 306	444 746
Free Basic Electricity to Indigents	1 225 768	1 176 773
Indigent Subsidy	47 297	337 108
Insurance	215 096	431 529
Letsema	200 000	220 346
Assessment rates & municipal charges	648 284	673 292
Membership Fees	871 324	825 666
Printing and stationery	3 260 105	3 892 597
Billing charges	141 321	161 942
Refreshments	5 463 924	4 246 796
Travel - local	1 912 481	2 321 256
Telephone and fax	4 669 157	4 293 144
Training	1 569 268	1 463 009
Bank charges	102 510	94 786
Stores and Material	123 497	272 230
Ammunition	2 830	840
Fleet	6 597 493	5 741 698
Standing ovations (Traffic)	457 934	-
Magazines, books and periodicals	8 944	10 169
Medical expenses	563	26 642
Postage and courier	87 544	120 489
Labour Relation Awareness	143 359	-
Protective clothing	684 376	206 911
Electricity	7 200 635	8 852 276
Water	294 916	198 572
Quality Control	48 179	35 629
Chemicals	545 871	375 869
Veterinary department	311 686	-
Hostel charges	9 819	7 961
Other expenses	7 075 665	6 232 768
	<b>57 319 470</b>	<b>61 097 161</b>

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2013

### Notes to the Annual Financial Statements

	2013 R	2012 R
<b>20. Employee related costs</b>		
Employee related costs - salaries and wages	73 086 051	66 123 240
Employee related costs - contribution for UIF,pension and medical aids	18 165 824	16 777 815
Travel, motor car, accommodation, subsistence and other allowances	7 904 647	7 109 777
Housing benefits and allowances	319 309	384 873
Overtime payments	3 510 419	3 544 228
	<b>102 986 250</b>	<b>93 939 933</b>
<b>Remuneration of municipal manager</b>		
Annual Remuneration	881 331	621 853
Car Allowance	167 948	45 000
Contributions to UIF, Medical and Pension Funds	18 848	128 654
	<b>1 068 127</b>	<b>795 507</b>
<b>Remuneration of chief finance officer</b>		
Annual Remuneration	489 480	853 974
Car Allowance	36 750	64 200
Contributions to UIF, Medical and Pension Funds	2 733	1 547
	<b>528 963</b>	<b>919 721</b>
<b>Remuneration of technical service executive director</b>		
Annual Remuneration	612 827	580 544
Car Allowance	78 000	78 000
Contributions to UIF, Medical and Pension Funds	166 606	158 059
	<b>857 433</b>	<b>816 603</b>
<b>Remuneration of corporate services executive director</b>		
Annual Remuneration	434 543	625 219
Car Allowance	41 000	108 000
Contributions to UIF, Medical and Pension Funds	39 404	83 384
	<b>514 947</b>	<b>816 603</b>
<b>Remuneration of community services executive director</b>		
Annual Remuneration	718 389	643 913
Contributions to UIF, Medical and Pension Funds	121 653	172 712
	<b>840 042</b>	<b>816 625</b>
<b>Remuneration of strategic management executive director</b>		
Annual Remuneration	468 325	575 407
Car Allowance	54 000	96 000
Contributions to UIF, Medical and Pension Funds	85 949	145 196
	<b>608 274</b>	<b>816 603</b>

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2013

## Notes to the Annual Financial Statements

	2013 R	2012 R
<b>21. Remuneration of councilors</b>		
Mayor's allowance	407 630	384 036
Speaker	338 341	319 418
Executive Committee Member's allowance	3 011 972	2 779 238
Single Whip	309 937	299 296
Councilor's allowance	6 031 417	5 824 483
Travelling allowance	3 960 437	3 745 934
Telephone	1 063 340	797 427
Pension fund contribution	1 470 207	1 440 992
Medical Aid contribution	301 577	190 579
	<b>16 894 858</b>	<b>15 781 403</b>
<b>22. Provisions</b>		
Provision for accumulated leave	5 853 109	6 755 398
Provision for landfill sites	1 097 003	4 259 684
Provision for outstanding traffic fines	5 721 986	
	<b>12 672 098</b>	<b>11 015 082</b>
<b>23. Debt impairment</b>		
Contributions to debt impairment provision	48 895 182	30 602 652
<b>24. Interest received</b>		
Investments	11 621 402	6 661 311
Interest charged on trade and other receivables	11 808 484	13 208 299
Bank	165 581	198 445
	<b>23 595 467</b>	<b>20 068 055</b>
<b>25. Depreciation and amortization</b>		
Property, plant and equipment	62 000 646	75 877 615
<b>26. Impairment of assets</b>		
<b>Impairments</b>		
Property, plant and equipment	-	807 125
<b>27. Finance costs</b>		
Non-current borrowings	8 632 561	9 047 946
<b>28. Operating lease</b>		
Not later than one year	905 776	892 776
Later than one year and not later than 5 years	1 636 756	1 785 552
	<b>2 542 532</b>	<b>2 678 328</b>
<b>29. Contracted services</b>		
Refuse removal	20 319 267	20 701 657

**Moses Kotane Local Municipality**

Annual Financial Statements for the year ended 30 June 2013

**Notes to the Annual Financial Statements**

	2013 R	2012 R
<b>30. Bulk purchases</b>		
Water	40 098 343	39 992 456
<b>31. Cash generated from operations</b>		
Surplus	121 284 201	53 239 404
<b>Adjustments for:</b>		
Depreciation and amortisation	62 000 646	75 877 615
(Loss) gain on sale of assets and liabilities	(463 396)	1 539
Impairment deficit	-	807 125
Debt impairment	48 895 182	30 602 652
Interest received		
Movements in provisions	1 755 165	17 470 150
Interest paid		
Other non-cash items		13 680 539
Other non-cash items		(4 515 524)
<b>Change in working capital:</b>		
(Increase)/Decrease in Inventories	490 259	315 130
(Increase)/Decrease in Receivables from exchange transactions		7 191 140
(Increase)/Decrease in Other receivables from non-exchange transactions	(6 837 134)	-
(Increase)/Decrease in Consumer debtors	(59 282 809)	(57 572 994)
Increase/(Decrease) in Payables from exchange transactions	24 473 650	297 721
Increase/(Decrease) in VAT Payable	(7 080 524)	12 546 673
Increase/(Decrease) in Unspent conditional grants and receipts	(14 923 131)	18 055 653
	<b>170 312 109</b>	<b>167 996 823</b>

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2013

### Notes to the Annual Financial Statements

#### 32 Contingencies

1

Litigation is in the process against the municipality where Fencercor Construction who was a subcontractor is suing the municipality for a claim of R2,842,111.00 flowing from a cession between the main contractor, fencercor and the municipality. according to the legal opinion the cession limit has been exceeded therefore the municipality is not liable for the amount in question.

2

Litigation is in the process against the municipality relating to a Subcontractor R & T developer who is suing the municipality an amount of R4,515,768.23 flowing from a direct payment or cession between the main contractor R & T and the municipality. The municipality's lawyers and management consider the likelihood of the action against the municipality being successful is likely ,based on the main contractor contention that R&T is misrepresenting the true facts.

3

Litigation is in the process against the municipality relating to a Motorist who sued the municipality for compensation of pain and suffering when the train hit him for an amount of R5 000 000.00. The municipality's lawyers and management consider the likelihood of the action against the municipality as successful since the case has been finalized and no further action has been taken.

4 Litigation is in the process against the municipality relating to a payment of R549 000.00 which the company Duro Pressing is claiming as an outstanding balance due to them. There was a direct agreement between contractor Promptique Ramnatjobe JV and the supplier. The municipality's lawyers and management consider the likelihood of the action against the municipality being unknown at this stage. investigation still continuing.

5 Litigation is in the process against the municipality relating to an accident between the Municipal vehicle and the taxi of Mr Gaanagomo which led the taxi to be written off. Mr Gaanagomo is claiming for the loss of income equivalent to the value of R1 050 000.00. The matter has been referred to the insurer of the Municipality and no response has been received to date and consequently no legal action has been pursued at this moment.

6 Litigation is in the process against the municipality relating to a claim by NWDC for an amount of R18 000 000.00 which has been submitted as a counter claim to delay the municipal claim for the rates and taxes. The municipality's lawyers and management consider the likelihood of the action against the municipality being unsuccessful as it considers NWDC claim as a delay tactic against the municipal claim.

7 Van Heerden Construction is claiming an amount of R 521 324.00 for retention flowing from the road that was built by them in 2006. the municipality has argued that the prescription applies to these claim, however the service provider believes that a retention is the negotiable instrument and that prescription period of six years is applicable to this matter. The municipality's legal representative consider 50% chances of winning the case.

8 Motshe Trading and projects is claiming an amount of R54 000.00 for renovation of the chief of Mabaalstad house instructed verbally by the former Municipal Manager. No legal action has been taken to date.

9 Heuers Wholesale Nursery is claiming an amount of R 55 565.00 which were purchased through a verbal agreement with the Nursery by the former HOD for communication

10

Ingwe Makgadi Waste Management is claiming management fees for an amount of R4 825 000 for the month of January to March 2013. this claim is within the contract terms and condition of the contract.

11

Tyzer T Security Services is claiming an amount of R 150 259.00 for assisting during community protest in Madikwe.

12 Mogwase Hardware is claiming R 16 000.00 for goods supplied but not paid.

13 Cleophus Molefe claims R 100 000.00 for compensation for assault by MKLM Traffic Officer.

14 Human Settlement is claiming an amount of R53 675 849 back from the municipality for PHP houses that was built in other areas than where the amount was allocated to.

15 On 21 April 2010 SALGA signed the "Categorisation and job evaluation wage curve collective agreement" (wage curve agreement) with IMATU and SAMWU on behalf of the municipalities. The agreement established the wage curves and wages scales to be used by municipalities in determining the wages of municipal employees, based on an evaluation of employees jobs per the TASK job evaluation system. The Job evaluation process of the municipality has not yet been finalised and therefore the financial implications of the new wage curve collective agreement cannot be reliably estimated.

#### Contingent assets

1

The Municipality is claiming an amount of R 214 929.00 from Ranamane Phungo which was erroneously paid by the Municipality instead of paying to the account of Mr Ranamane who was no longer practising as Ranamane Phungo.



## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2013

### Notes to the Annual Financial Statements

	2013 R	Re Stated 2012 R
<b>33. Prior period adjustments</b>		
Refund on sale of stands		
Adjustment on Provision on Landfill Sites	8 374 644	
Lotto donation paid to women	750 704	
Adjustment on VAT not approved by SARS	564 464	
Interest paid to attorney regarding claim for high mast lights in Unit 8 Mogwase	250 000	
Billing of debtors in Unit 8 Mogwase	-6 443 407	
Adjustment on salaries	128 517	
Adjustment on payments made	1 656 847	
Adjustment on previous years expenditure	227 158	
Adjustment on fair value of movable assets	-13 995	
Adjustment on interest on external loan from ABSA	111 804	
Adjustment on unsold properties	-198 800	
Adjustment on Community Assets	155 000	
Adjustment on asset values and depreciation	-292 978	
	<b>5 269 958</b>	
<b>Current year adjustments</b>		
Purchase of assets from Income and Grants	-1 353 492	
Adjustment on water levels	29 608	
Adjustment on debtors payments in advance	-128 547	
	<b>-1 452 431</b>	
<b>Total adjustments</b>	<b>3 817 527</b>	
<b>34. Unauthorized expenditure</b>		
Opening Balance	17 287 070	3 870 204
Unauthorized expenditure current year		13 416 866
	<b>17 287 070</b>	<b>17 287 070</b>
<b>35. Fruitless and wasteful expenditure</b>		
Opening balance	7 102 126	6 887 196
Fruitless and wasteful expenditure current year	279 025	214 930
Amounts claimed back/written off	(303 507)	
	<b>7 077 644</b>	<b>7 102 126</b>
Amounts claimed back for VAT and a debtor was raised for the repayment of the Telkom Fraud during the current year		
The 2012 balance was restated due to payments made regarding CCMA disputes incorrectly stated as fruitless and wasteful expenditure in prior year.		
The current year fruitless and wasteful expenditure relates to interest paid to creditors		
<b>36. Irregular expenditure</b>		
Opening balance	99 830 216	28 526 220
Add: Irregular Expenditure - current year	108 077 478	71 303 996
Less: Amounts recoverable (condoned)	(3 352 444)	-
	<b>204 555 250</b>	<b>99 830 216</b>
The opening balance for 2012 was re-stated due to the incorrect calculation of the unavailability of information.		
The amount recoverable(condoned) relates to prior year outstanding documentation submitted for audit in current year and payments made were in terms of the SCM policy.		
Current year Irregular expenditure relates to the non compliance with the SCM policy.		
<b>37. Receivables from non-exchange transactions</b>		
Fines	822 188	
Insurance Claim Mayors Carpet	21 020	
Fraud Cases	287 148	
Other receivables from non-exchange revenue 1	5 909 077	905 652
Other receivables from non-exchange revenue 2	703 353	
	<b>7 742 786</b>	<b>905 652</b>

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2015

### Notes to the Annual Financial Statements

	2013 R	2012 R
<b>38. Commitments</b>		
<b>Authorized capital expenditure</b>		
<b>Approved and already contracted for</b>		
<input type="checkbox"/> Land and Buildings	1 139 353	1 764 638
<input type="checkbox"/> Infrastructure	69 641 433	37 296 219
<input type="checkbox"/> Community	18 373 506	7 940 704
	<b>89 154 292</b>	<b>47 001 561</b>

#### Not yet contracted for and authorized by accounting officer

<input type="checkbox"/> Land and Buildings	-	35 000 000
<input type="checkbox"/> Infrastructure	111 041 000	111 844 247
<input type="checkbox"/> Community	9 000 000	1 500 000
<input type="checkbox"/> Others	6 400 000	12 920 000
	<b>126 441 000</b>	<b>161 264 247</b>

#### Operating leases - as lessee (expense)

Operating lease payments represent rentals payable by the municipality for certain of its office properties. Leases are negotiated for an average term of seven years and rentals are fixed for an average of three years. No contingent rent is payable.

### 39. Risk management

#### Financial risk management

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the municipality's performance. The municipality uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central treasury department (entity treasury) under policies approved by the accounting officer. Municipality treasury identifies, evaluates and hedges financial risks in close co-operation with the municipality's operating units. The accounting officer provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

#### Capital Risk Management

The municipality's objective when managing capital is to safeguard the municipality's ability to continue as a going concern in order to provide services for the stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the municipality consists of debt, which includes the borrowings disclosed in note 14, cash and cash equivalents disclosed in note 6, and equity as disclosed in the statement of financial position.

Consistent with others in the industry, the municipality monitors capital on the basis of the gearing ratio.

The ratio is calculated as net debt divided by the total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The municipality's strategy is to maintain a gearing ratio of between 5% to 15%.

There are no externally imposed capital requirements.

There have been no changes to what the municipality manages as capital, the strategy for capital maintenance or externally imposed capital requirements for the previous financial year.

The gearing ratios at 2013 and 2012 respectively were as follows:

	2013	2012
<b>Total borrowings</b>		
Current liabilities	166 094 147	162 245 578
Non-current liabilities	89 750 489	96 153 957
	<b>255 844 636</b>	<b>258 399 535</b>
Less cash and cash equivalents	-173 803 354	-134 143 930
Net debt	82 041 282	124 255 605
Total equity	860 403 448	737 373 837
Total capital	942 444 730	861 629 442

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2013

### Notes to the Annual Financial Statements

#### Liquidity risk

Prudent liquidity management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying business, municipality treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

#### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilisation of credit limits is regularly monitored. Sales to retail customers are settled in cash or using major credit cards. Credit guarantee insurance is purchased when deemed appropriate.

Financial assets exposed to credit risk at year end were as follows:

Financial Instrument	2013	2012
Consumer debtors	96 111 503	85 723 876
Receivables from exchange transaction	361 856	361 856
Receivables from non-exchange transaction	10 246 026	905 652
Cash and cash equivalents	173 803 354	134 143 930

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2013

### Notes to the Annual Financial Statements

	2013	2012
	R	R

#### 39. Risk management (continued)

##### Market risk

##### Interest rate risk

As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in market interest rates.

#### 39. Material Losses (continued)

Material loss in water distribution	7 354 606	6 937 461
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#### 40. Going concern

We draw attention to the fact that at 30 June 2013, the municipality had accumulated surplus of R 866,023,932

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities. Contingent obligations and commitments will occur in the ordinary course of business. The ability of the municipality to continue as a going concern is dependent on a number of factors. The most significant of these is that the accounting officer continue to procure funding for the ongoing operations for the municipality and that the agreement referred to in note 17 of these annual financial statements will remain in force for so long as it takes to restore the municipality.

#### 41. Additional disclosure in terms of Municipal Finance Management Act

Current year subscription / fee - SALGA	866 320	545 637
Amount paid - current year	(866 320)	(545 637)
	-	-
<b>Audit fees</b>		
Current year subscription / fee	2 184 157	3 003 615
Amount paid - current year	(2 184 157)	(3 003 615)
	-	-
<b>PAYE and UIF</b>		
Current year subscription / fee	17 862 747	17 832 628
Amount paid - current year	(17 862 747)	(17 832 628)
	-	-
<b>Pension and Medical Aid Deductions</b>		
Current year subscription / fee	28 444 465	23 450 034
Amount paid - current year	(28 444 465)	(23 450 034)
	-	-
<b>VAT</b>		
VAT payable	8 820 724	15 336 784

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2013

### Notes to the Annual Financial Statements

	2013	2012
	R	R

#### 41. Additional disclosure in terms of Municipal Finance Management Act (continued)

##### Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2013

	Outstanding less than 90 days R	Outstanding less than 90 days R	Total R
Councillor M Nondzaba	908	11 925	12 833
Councillor J Maretele	686	10 474	11 160
Councillor S Motlhaga	1 798	834	2 632
Councillor J Setou	430	6 450	6 880
	<b>3 822</b>	<b>29 683</b>	<b>33 505</b>

	Outstanding less than 90 days R	Outstanding less than 90 days R	Total R
Councillor M Nondzaba	435	8 142	8 577
Councillor J Maretele	464	8 953	9 417
Councillor S Motlhaga	275	3 676	3 951
Councillor J Setou	326	4 992	5 318
	<b>1 500</b>	<b>25 763</b>	<b>27 263</b>

During the year the above mentioned Councillors were in arrear for more than 90 days and no arrangements has been made to clear this arrears

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2015

### Notes to the Annual Financial Statements

#### 42. Actual versus Budget ( Revenue and Expenditure)

	Forecast 1 2013 Adjusted budget Rand	Forecast 1 2013 Act. Bal Rand	Variance	Variance	Explanation of Significant Variances greater than 10% versus Budget
<b>Revenue</b>					
Property Rates	32 213 600	33 594 665	(1 381 065)	(4.3)	N/a
Service charges	71 098 200	76 688 921	(5 590 721)	(7.9)	Increase in water sales
Fines	6 664 500	7 709 050	(1 044 550)	(15.7)	Increase in traffic fines
Commissions received	70 000	95 710	(25 710)	(36.7)	More deductions from employees
Other income 1	40 000	51 155	(11 155)	(27.9)	Sale for stands
Other income - (rollup)	1 534 300	1 358 638	175 662	11.4	Building plan fees and water connections
Government grants	248 650 882	371 529 131	(122 878 249)	(49.4)	Condition met of Conditional Grant transfer to revenue
Interest received - Investments	19 950 000	23 595 467	(3 645 467)	(18.3)	Investment of surplus funds
	<b>380 221 482</b>	<b>514 622 737</b>	<b>(134 401 255)</b>	<b>(35.3)</b>	
<b>Expenses</b>					
Personnel	(112 333 971)	(102 986 250)	(9 347 721)	8.3	N/a
Remuneration of councilors	(17 021 183)	(16 894 858)	(126 325)	0.7	N/a
Contributions to Provisions	(800 000)	(6 950 112)	6 150 112	(768.8)	Increase in provision for accumulated leave and landfill sites
Depreciation	(86 131 748)	(62 000 646)	(24 131 102)	28.0	The underspending and completing of water, roads, high mast lights and building projects resulted in the saving on depreciation
Impairments	-	-	-	-	
Finance Costs	(10 050 679.00)	-8 632 561	(1 418 118)	14.1	The decrease is due to the capitalize of interest on external loan from ABSA
Debt impairment	(45 079 643)	(48 895 182)	3 815 539	(8.5)	
Repairs and maintenance	(29 483 700)	(21 441 721)	(8 041 979)	27.3	High staff turnover
Contributions to Traffic Fines	(4 800 000)	(5 721 986)	921 986	(19.2)	Increase in contribution for outstanding traffic fines
Bulk purchases	(39 000 000.00)	-40 098 343	1 098 343	(2.8)	N/a
Contracted Services	(23 579 000)	(20 319 267)	(3 259 733)	13.8	Contractor was not appointed for the maintenance of the sewerage purification works Savings on the contract for security services
Ward Committees	(3 960 000)	(2 541 536)	(1 418 464)	35.8	the ward committees only started functioning late during the financial year
General Expenses	(77 990 121)	(57 319 470)	(20 670 651)	26.5	Saving on not establishment of Customer Care centre Saving on Consultants Saving on Computer Software Saving on Delegation and Conferences Saving on HIV Aids Campaigne Saving on Legal Fees Saving on LED projects Saving on Printing and Stationery Saving on Refreshments Saving on Telephone Expenses Saving on Travelling and Subsistence
	<b>(450 230 045)</b>	<b>(393 801 932)</b>	<b>(56 428 113)</b>	<b>12.5</b>	
<b>Other revenue and costs</b>					
Gain or loss on disposal of assets and liabilities	-	463 396	(463 396)	100.00	
<b>Net surplus/ (deficit) for the year</b>	<b>(70 008 563)</b>	<b>121 284 201</b>	<b>(191 292 764)</b>		

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2013

### Notes to the Annual Financial Statements

#### 43.1 Budget Analysis of Capital Expenditure

	Revised Budget Rand	Actual Expenditure Rand	Variance Rand	Variance %	Explanation of Significant Variances variance from Budget
<b>Municipality</b>					
Executive & Council/Mayor and Council	230 000	174 268	55 732	24	Saving on purchase of equipment
Finance & Admin/Finance	950 000	312 848	637 152	67	Purchase of electronic equipment for meter readers did not realize
Planning and Development/Economic Development/Plan	2 700 000	1 471 176	1 228 824	46	Construction of cultural village will be completed in 2013/2014
Corporate	11 451 000	4 708 446	6 742 554	59	Saving on purchase of equipment and vehicles
Comm. & Social/Libraries and archives	40 223 481	16 055 841	24 167 640	60	The extension of the Civic Centre will be completed in the 2013/2014 Erection of community halls has been rolled forward
Housing	-	-	-	-	
Traffic services	285 000	7 930	277 070	97	Saving on furniture equipment
Sport and Recreation	2 705 254	3 873 245	(1 167 991)	(43)	Overspending on recreational grounds
Environmental Protection/Pollution Control	-	-	-	-	
Sewer	15 530 019	15 412 980	117 039	1	
Road Transport/Roads	59 308 451	37 319 560	21 988 891	37	Roads projects currently in progress to be completed in 2013/2014
Water/Water Distribution	29 363 877	17 705 285	11 658 592	40	Water projects currently in progress to be completed in 2013/2014
Streetlights	73 924 178	28 733 461	45 190 717	61	Streetlights projects currently in progress to be completed in 2013/2014
Other/Air Transport	-	-	-	-	
	<b>236 671 260</b>	<b>125 775 040</b>	<b>110 896 220</b>	<b>47</b>	

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2013

### Appendix A

#### Schedule of external loans as at 30 June 2013

	Account Number	Interest Rate	Balance at 30 June 2012	House Owners Insurance	Redeemed written off during the period	Balance at 30 June 2013
			Rand	Rand	Rand	Rand
<b>ABSA BANK</b>						
PMU	78651917		95 264	-	45 850	49 414
Water	78651992		47 138	-	22 687	24 451
Office of the Speaker	78652018		144 947	-	69 762	75 185
Water	78652042		131 365	-	63 388	67 977
Roads and storm water	78652069		113 501	-	54 627	58 874
Water	78652174		131 365	-	63 388	67 977
Council General Expenditure	78652263		227 295	-	109 395	117 900
Traffic	78652280		92 757	-	44 643	48 114
Council General Expenditure	78652298		235 857	-	113 809	122 048
Traffic	78652344		92 757	-	44 643	48 114
Traffic	78652417		92 732	-	44 631	48 101
Water	78652522		121 142	-	58 305	62 837
Transport	78652611		58 045	-	27 937	30 108
Cemetery	78652743		226 676	-	109 097	117 579
Transport	78652832		113 501	-	54 627	58 874
Transport	78652891		58 045	-	27 937	30 108
Roads and storm water	78652905		113 501	-	54 627	58 874
Roads and storm water	78652999		113 501	-	54 627	58 874
Transport	78653006		58 027	-	27 928	30 099
Transport	78653030		113 501	-	54 627	58 874
Transport	78653146		113 501	-	54 627	58 874
Transport	78653430		58 045	-	27 937	30 108
Transport	78653588		57 393	-	27 623	29 770
Transport	78654916		58 045	-	27 937	30 108
Transport	78655114		58 045	-	27 937	30 108
Transport	78655262		58 045	-	27 937	30 108
Roads and storm water	78671136		81 523	-	39 236	42 287
Council General Expenditure	78671314		711 606	-	343 373	368 233
Mayoral House	8065717250		1 389 872	7 778	54 324	1 343 326
Extension of Civic centre	-		12 111 804	-	706 163	11 405 641
			<b>17 078 796</b>	<b>7 778</b>	<b>2 483 629</b>	<b>14 602 945</b>



## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2013

### Appendix A

#### Schedule of external loans as at 30 June 2013

	Account Number	Interest Rate	Balance at 30 June 2012	House Owners Insurance	Redeemed written off during the period	Balance at 30 June 2013
			Rand	Rand	Rand	Rand
<b>INCA</b>						
Civic Centre	-	14%	9 304 160	-	1 220 532	8 083 628
Civic Centre-Extension	50610027704	11.40%	11 204 319	-	707 127	10 497 192
Civic Centre -Extension	Loan 9078	11.83%	9 127 835	-	235 397	8 892 438
Community Halls	18721	13.85%	2 777 641	-	102 157	2 675 484
			<b>32 413 955</b>	<b>-</b>	<b>2 265 213</b>	<b>30 148 742</b>
<b>Development Bank of South Africa</b>						
Roads, Bridges		11.44%	7 191 524	-	301 583	6 889 941
Street Lighting Sun City		11.44%	5 849 571	-	246 751	5 602 820
Streetlights,Mabela-a-Podi		10.03%	3 569 964	-	259 830	3 310 134
Mogwase						
Water	Water	8.80%	23 153 097	-	1 230 832	21 922 265
			<b>39 764 156</b>	<b>-</b>	<b>2 038 996</b>	<b>37 725 160</b>
<b>Bonds</b>						
<b>Government loans</b>						
<b>Total external loans</b>						
<b>Other loans</b>						
<b>Lease liability</b>						
<b>Annuity loans</b>						
<b>Government loans</b>						
<b>Total external loans</b>						
<b>ABSA BANK</b>						
16,966,994	7,778	2,371,827	17 078 798	7 778	2 483 631	14 602 945
14,602,945	-	-				
INCA			32 413 955	-	2 265 213	30 148 742
Development Bank of South Africa			39 764 155	-	2 038 995	37 725 160
			<b>89 256 908</b>	<b>7 778</b>	<b>6 787 839</b>	<b>82 476 847</b>

The restated balance in the ABSA loan for the extension of the Civic Centre is due to interest for June 2012 that was not brought into account at year end for the 2011/2012 Financial Year

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2013

### Appendix B

#### Analysis of property, plant and equipment as at 30 June 2013

	Cost						Accumulated depreciation							
	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Adjustment Fair Value Rand	Under Construction Rand	Closing Balance Rand	Opening balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Prior year adjustment Rand	Closing balance Rand	Carrying Value Rand
<b>Land and buildings</b>														
Land (Separate for AFS purposes)	8 423 048	-	-	-	-	-	8 423 049	-	-	-	-	-	-	8 423 049
Buildings (Separate for AFS purposes)	48 341 355	-	-	-	-	4 704 623	53 045 978	(6 142 300)	-	-	(1 506 372)	-	(7 648 672)	45 397 306
	<b>56 764 403</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4 704 623</b>	<b>61 469 027</b>	<b>(6 142 300)</b>	<b>-</b>	<b>-</b>	<b>(1 506 372)</b>	<b>-</b>	<b>(7 648 672)</b>	<b>53 820 355</b>
<b>Infrastructure</b>														
Roads, Pavements & Bridges	429 239 106	27 650 751	-	-	-	9 668 809	466 558 666	(223 097 900)	-	-	(28 477 356)	-	(251 575 256)	214 983 410
Sewage Mains & Purification Plant	70 802 979	-	-	-	-	15 377 080	86 180 059	(33 440 148)	-	-	(2 148 150)	-	(35 588 298)	50 591 761
Street lighting	38 876 927	-	-	-	-	28 691 431	67 568 358	(6 013 433)	-	-	(1 754 400)	-	(7 767 833)	59 800 525
Water Reticulation	337 280 379	9 736 939	-	-	-	543 437	347 560 755	(140 169 934)	-	-	(9 347 278)	-	(149 517 212)	198 043 543
Water boreholes	38 889 756	-	-	-	-	89 950	38 979 706	(18 250 052)	-	-	(3 208 867)	-	(21 458 919)	17 520 787
Water Pump station	4 347 195	-	-	-	-	-	4 347 195	(2 612 943)	-	-	(208 233)	-	(2 821 176)	1 526 019
Water Reservoir	80 569 210	-	-	-	-	770 064	81 339 274	(22 794 668)	-	-	(3 491 380)	-	(26 286 048)	55 053 226
Water Treatment Works	9 831 189	-	-	-	-	-	9 831 189	(4 778 738)	-	-	(528 131)	-	(5 306 869)	4 524 320
Water Bulk Pipelines	194 543 554	6 371 642	-	-	-	144 943	201 060 139	(124 792 682)	-	-	(5 487 029)	-	(130 279 711)	70 780 428
Refuse Disposal Site	29 107 193	-	-	-	-	-	29 107 193	(13 947 043)	-	-	(1 055 659)	-	(15 002 702)	14 104 491
	<b>1 233 487 488</b>	<b>43 759 332</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55 285 714</b>	<b>1 332 532 534</b>	<b>(589 897 541)</b>	<b>-</b>	<b>-</b>	<b>(55 706 483)</b>	<b>-</b>	<b>(645 604 024)</b>	<b>686 928 510</b>
<b>Community Assets</b>														
Parks & gardens	6 258 668	-	-	-	-	-	6 258 668	(2 080 628)	-	-	(201 527)	-	(2 282 155)	3 976 513
Civic Building	32 318 270	1 270 960	-	-	-	8 234 422	41 823 652	(8 721 440)	-	-	(1 857 253)	-	(10 578 693)	31 244 959
Library	6 926 275	-	-	-	-	-	6 926 275	(972 357)	-	-	(82 308)	-	(1 054 665)	5 871 610
Recreational Grounds	21 387 394	3 306 971	-	-	-	566 274	25 260 639	(5 527 050)	-	-	(1 463 864)	-	(6 990 914)	18 269 725
Cemeteries	5 078 642	3 317 012	-	-	-	-	8 395 654	(1 348 438)	-	-	(284 714)	-	(1 633 152)	6 762 502
	<b>71 969 249</b>	<b>7 894 943</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8 800 696</b>	<b>88 664 888</b>	<b>(18 649 913)</b>	<b>-</b>	<b>-</b>	<b>(3 889 666)</b>	<b>-</b>	<b>(22 539 579)</b>	<b>66 125 309</b>

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2013

### Appendix B

#### Analysis of property, plant and equipment as at 30 June 2013

	Cost							Accumulated depreciation						
	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Adjustment Fair Value Rand	Under Construction Rand	Closing Balance Rand	Opening balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Prior year adjustment Rand	Closing balance Rand	Carrying Value Rand
<b>Heritage assets</b>														
Sculpture	14 000	-	-	-	-	-	14 000	-	-	-	-	-	-	14 000
	<b>14 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14 000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14 000</b>
<b>Specialized vehicles</b>														
<b>Other assets</b>														
Motor vehicles	29 995 815	4 292 800	(1 760 546)	-	-	-	32 528 069	(21 220 420)	1 760 530	-	(865 617)	-	(20 325 507)	12 202 562
Plant & equipment	7 366 284	126 240	-	-	-	-	7 492 524	(5 811 057)	-	-	(189 633)	-	(6 000 690)	1 491 834
Furniture and Fittings	4 749 997	396 341	-	-	-	-	5 146 338	(3 838 740)	-	-	76 928	-	(3 761 812)	1 384 526
Office equipment	7 154 571	514 351	-	-	-	-	7 668 922	(5 776 741)	-	-	80 197	-	(5 696 544)	1 972 378
	<b>49 266 667</b>	<b>5 329 732</b>	<b>(1 760 546)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>52 835 853</b>	<b>(36 646 958)</b>	<b>1 760 530</b>	<b>-</b>	<b>(898 125)</b>	<b>-</b>	<b>(35 784 553)</b>	<b>17 051 300</b>

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2013

### Appendix B

#### Analysis of property, plant and equipment as at 30 June 2013

	Cost							Accumulated depreciation						
	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Adjustment Fair Value Rand	Under Construction Rand	Closing Balance Rand	Opening balance Rand	Disposals Rand	Transfers Rand	Depreciation Rand	Prior year adjustment Rand	Closing balance Rand	Carrying Value Rand
<b>Total property plant and equipment</b>														
Land and buildings	56 764 403	-	-		-	4 704 623	61 469 026	(6 142 300)	-	-	(1 506 372)	-	(7 648 672)	53 820 354
Infrastructure	1 233 487 488	43 759 332	-		-	55 285 714	1 332 532 534	(589 897 541)	-	-	(55 706 483)	-	(645 604 024)	686 928 510
Community Assets	71 969 249	7 894 943	-		-	8 800 696	88 664 888	(18 649 913)	-	-	(3 889 666)	-	(22 539 579)	66 125 309
Heritage assets	14 000	-	-		-	-	14 000	-	-	-	-	-	-	14 000
Other assets	49 266 667	5 329 732	(1 760 546)		-	-	52 835 853	(36 646 958)	1 760 530	-	(898 125)	-	(35 784 553)	17 051 300
	<b>1 411 501 807</b>	<b>56 984 007</b>	<b>(1 760 546)</b>	<b>-</b>	<b>-</b>	<b>68 791 033</b>	<b>1 535 516 301</b>	<b>(651 336 712)</b>	<b>1 760 530</b>	<b>-</b>	<b>(62 000 646)</b>	<b>-</b>	<b>(711 576 828)</b>	<b>823 939 473</b>
<b>Agricultural/Biological assets</b>														
<b>Intangible assets</b>														
<b>Investment properties</b>														
<b>Total</b>														
Land and buildings	56 764 403	-	-		-	4 704 623	61 469 026	(6 142 300)	-	-	(1 506 372)	-	(7 648 672)	53 820 354
Infrastructure	1 233 487 488	43 759 332	-		-	55 285 714	1 332 532 534	(589 897 541)	-	-	(55 706 483)	-	(645 604 024)	686 928 510
Community Assets	71 969 249	7 894 943	-		-	8 800 696	88 664 888	(18 649 913)	-	-	(3 889 666)	-	(22 539 579)	66 125 309
Heritage assets	14 000	-	-		-	-	14 000	-	-	-	-	-	-	14 000
Other assets	49 266 667	5 329 732	(1 760 546)		-	-	52 835 853	(36 646 958)	1 760 530	-	(898 125)	-	(35 784 553)	17 051 300
	<b>1 411 501 807</b>	<b>56 984 007</b>	<b>(1 760 546)</b>	<b>-</b>	<b>-</b>	<b>68 791 033</b>	<b>1 535 516 301</b>	<b>(651 336 712)</b>	<b>1 760 530</b>	<b>-</b>	<b>(62 000 646)</b>	<b>-</b>	<b>(711 576 828)</b>	<b>823 939 473</b>

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2011:

### Appendix C

#### Segmental analysis of property, plant and equipment as at 30 June 2013

	Cost/Revaluation						Accumulated depreciation							
	Opening Balance Rand	Additions Rand	Disposals Rand	Transfers Rand	Correction Rand	Under Construction Rand	Closing Balance Rand	Opening balance Rand	Additions Rand	Transfers Rand	Depreciation Rand	Disposal Rand	Closing balance Rand	Carrying Value Rand
<b>Municipality</b>														
Executive & Council	9 132 923	174 268	(1 568 578)	-	-	-	7 738 613	(5 669 076)	(337 027)	-	-	1 568 568	(4 437 535)	3 301 078
Budget & Treasury	1 917 928	312 848	-	-	-	-	2 230 776	(1 537 686)	(74 665)	-	-	-	(1 612 351)	618 425
Corporate Services: Properties	99 609 355	1 270 960	-	-	-	11 467 869	112 348 184	(39 568 486)	(3 052 821)	-	-	-	(42 621 307)	69 726 877
Corporate Services-Admin	3 081 192	4 708 446	-	-	-	-	7 789 638	(1 735 809)	(597 841)	-	-	-	(2 333 650)	5 455 988
Planning & Development	2 111 500	-	-	-	-	1 471 176	3 582 676	(2 503 376)	(74 227)	-	-	-	(2 577 603)	1 005 073
Libraries and Archives	7 240 441	-	-	-	-	-	7 240 441	(1 219 008)	(125 140)	-	-	-	(1 344 148)	5 896 293
Cemeteries	5 078 642	3 317 012	-	-	-	-	8 395 654	(2 403 608)	(339 857)	-	-	-	(2 743 465)	5 652 189
Public Safety streetlighting	38 876 927	-	-	-	-	28 733 461	67 610 388	(6 013 433)	(1 754 400)	-	-	-	(7 767 833)	59 842 555
Public Safety Other	2 517 423	7 930	-	-	-	-	2 525 353	(376 851)	(123 220)	-	-	-	(500 071)	2 025 282
Sports and recreation	29 491 259	3 306 971	-	-	-	566 274	33 364 504	(6 425 271)	(1 575 072)	-	-	-	(8 000 343)	25 364 161
Waste Water Management Services	70 802 979	35 900	-	-	-	15 377 080	86 215 959	(33 440 148)	(2 148 150)	-	-	-	(35 588 298)	50 627 661
Waste Mangement Solid Waste	29 107 195	-	-	-	-	-	29 107 195	(13 947 043)	(1 055 659)	-	-	-	(15 002 702)	14 104 493
Roads Trasport: Roads	437 239 106	27 650 751	-	-	-	9 668 809	474 558 666	(223 097 900)	(28 542 293)	-	-	-	(251 640 193)	222 918 473
Water	675 294 937	16 198 921	(191 968)	-	-	1 506 364	692 808 254	(313 399 017)	(22 200 274)	-	-	191 962	(335 407 329)	357 400 925
	<b>1 411 501 807</b>	<b>56 984 007</b>	<b>(1 760 546)</b>	<b>-</b>	<b>-</b>	<b>68 791 033</b>	<b>1 535 516 301</b>	<b>(651 336 712)</b>	<b>(62 000 646)</b>	<b>-</b>	<b>-</b>	<b>1 760 530</b>	<b>(711 576 828)</b>	<b>823 939 473</b>
<b>Municipal Owned Entities</b>														
<b>Total</b>														
Municipality	<b>1 411 501 807</b>	<b>56 984 007</b>	<b>(1 760 546)</b>	<b>-</b>	<b>-</b>	<b>68 791 033</b>	<b>1 535 516 301</b>	<b>(651 336 712)</b>	<b>(62 000 646)</b>	<b>-</b>	<b>-</b>	<b>1 760 530</b>	<b>(711 576 828)</b>	<b>823 939 473</b>

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2011:

### Appendix D

#### Segmental Statement of Financial Performance for the year ended 30 June 2013

Prior Year			Current Year		
Actual Income Rand	Actual Expenditure Rand	Surplus/ (Deficit) Rand	Actual Income Rand	Actual Expenditure Rand	Surplus/ (Deficit) Rand
<b>Municipality</b>					
-	(69 976 275)	(69 976 275)	117 807	(65 800 805)	(65 682 998)
307 199 124	(78 821 155)	228 377 969	323 265 888	(74 925 113)	248 340 775
90 301	(12 338 823)	(12 248 522)	147 272	(12 092 450)	(11 945 178)
188 645	(3 700 918)	(3 512 273)	1 072 696	(11 587 633)	(10 514 937)
1 130 660	(2 785 926)	(1 655 266)	7 709 050	(8 944 083)	(1 235 033)
-	(10 560 476)	(10 560 476)	-	(10 411 291)	(10 411 291)
8 382 306	(5 596 493)	2 785 813	7 622 852	(4 693 110)	2 929 742
20 537 426	(24 583 468)	(4 046 042)	22 776 274	(20 714 557)	2 061 717
1 718 690	(52 443 572)	(50 724 882)	1 280 104	(52 849 567)	(51 569 463)
98 071 731	(117 786 744)	(19 715 013)	150 630 794	(124 855 074)	25 775 720
-	(9 472 564)	(9 472 564)	-	(6 928 249)	(6 928 249)
13 107 791	13 107 791	13 107 791	-	-	-
-	1 539	1 539	463 396	-	463 396
<b>437 318 883</b>	<b>(374 957 084)</b>	<b>62 361 799</b>	<b>515 086 133</b>	<b>(393 801 932)</b>	<b>121 284 201</b>
<b>Municipal Owned Entities</b>					
<b>Other charges</b>					
<b>437 318 884</b>	<b>374 957 084</b>	<b>53 239 404</b>	<b>515 086 133</b>	<b>393 801 932</b>	<b>121 284 201</b>

## Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2013

### Appendix E

#### DISCLOSURES IN TERMS OF SECTION 123 OF THE MFMA: GRANTS AND SUBSIDIES RECEIVED FOR THE YEAR ENDED 30 JUNE 2013

Name of Grant	Name of organ of state or municipal entity	Quarterly Receipts				Quarterly Expenditure				Grants and subsidies delay/withheld				Reason for delay/withholding of funds	Did your Municipality comply with the grant framework in the latest Division of Revenue Act	Reason for non-compliance
		September	December	March	June	September	December	March	June	September	December	March	June			
Equitable Share	DPLG	95 333 000	60 266 000	57 200 000		53 200	53 200	53 200	53 199		16 000			Under spending	Yes	
Municipal Infrastructure	DPLG	64 242 000	47 187 000	12 370 000		21 088 000	23 767 937	3 758 130	78 838 908							
Municipal Systems Improvement	DPLG	1 000 000				0		307 000	693 000	None	None	None	None	on MIG	Yes	
Finance Management	DPLG	1 500 000				210 000				None	None	None	None		Yes	
EDSMG	DPLG	2 000 000	2 000 000						2 270 350	None	None	None	None		Yes	
DWAF Operating and Maintenance	DWAF	847 000	9 646 000	848 000		847 000	5 473 000	4 174 000		None	None	None	None		Yes	
Expanded Public Works Programme	DPLG	572 000	856 000	38 000		171 000	171 000	812 000	1 312 000							
Libraries	NWPG			400					400 000							
Disaster	NWPG	300							87507							
		<b>165 494 300</b>	<b>119 955 000</b>	<b>70 456 400</b>	<b>0</b>	<b>22 369 200</b>	<b>29 465 137</b>	<b>9 104 330</b>	<b>83 654 964</b>							

# Moses Kotane Local Municipality

Annual Financial Statements for the year ended 30 June 2015

## Appendix F

General statistics	2013	2012
Population	236 845	236 845
Registered voters	116 000	116 000
Valuation date: January 2008 with effect from 1 July 2008		
Total valuations	4 388 522 500	2 646 239 200
Assessment rates		
Calculated on the improved value of the property		
Residential per rand	0.000910	0.000910
	Less 17,000 on valuation	Less 17,000 on valuation
	plus a rebate of 20% if developed	plus a rebate of 20% if developed
Mining	0.05928	0.07310
Commercial	0.01828	0.02110
Other properties and right in land		0.03090
Sun City	0.03083	0.03240
Government properties and Tertiary	0.03334 less 20%	0.0475less 20%
Industrial	0.07350	0.00860
Number of properties		
Residential Formal	3 242	4 437
Commercial Formal	131	63
Churches Formal	36	42
Service charges: (Per site)		
<b>Refuse Removal</b>		
Residential Madikwe	20.24 plus VAT	18.40 plus VAT
Commercial Madikwe	40.48 plus VAT	36.80 plus VAT
Residential Mogwase	20.24 plus VAT	18.40 plus VAT
Commercial Mogwase	40.48 plus VAT	36.80 plus VAT
<b>Sewerage</b>		
Residential Madikwe	19.50 plus VAT	17.36 plus VAT
Commercial Madikwe	39.00 plus VAT	36.80 plus VAT
Residential Mogwase	19.50 plus VAT	17.36 plus VAT
Commercial Mogwase	39.00 plus VAT	36.80 plus VAT
Industries	4.24 on 60% of water consumed	4.24 on 60% of water consumed
<b>Water</b>		
Residential	0 to 6kl Free of Charge	0-6kl FREE
	6.1 to 45kl 10.12	6.1 to 45 kl 9.2
	45.1 kl and above 11.6	45.1 kl and above 10.57
Small Business and State Department	0 to 45 kl 10.12	0 to 45kl 10.57
	45.1 kl and above 12.12	45.1 kl and above 11.02
Bulk Consumers	7.63 per kl	6.94 per kl
Industrial and large consumers	10.45 per kl	9.5 per kl
All water tariffs are excluding VAT		
<b>Water Statistics</b>		
Number of users	25 643	20 761
Kl Purchased	12 573 449	12 237 706
Kl Sold	9 336 335	9 183 126
Free basic Kl	1 063 767	859 181
Kl Lost in distribution	2 173 347	2 195 399
Percentage lost in distribution	17	18
Cost per kl bought	3.384	3 160
Loss in distribution	7 354 606	2 195 399
Cost per kl sold	8.03	13.21
Income per kl sold	6.05	4.06
Number of employees	399	400
Number of councilors	62	60



## MOSES KOTANE LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2013

### Appendix G

#### Disclosure of Allowance of Councilors

Name	Position	Total Package 2012/2013	Telephone Allowance	Data Facility	15% Pension	Medical	Travelling Allowance	SALARY	Total Package with Data Facility
Mokati-Thebe F	Mayor	645 549	0	3600	60 898	17 280	161 388	405 983	649 149
Diale R	Speaker	516 439	19 872	3 600	50 521	0	129 110	336 809	539 912
MASHIMO	Executive	484 162	19 872	3 600	47 364	0	121 040	315 758	507 634
Nkotswe M.N	Executive	484 162	19 872	3 600	45 110	17 280	121 040	300 732	507 634
Tshethane D R	Executive	484 162	19 872	3 600	45 242	16 265	121 040	301 615	507 634
Motshabi C.N	Executive	484 162	19 872	3 600	45 678	12 924	121 040	304 520	507 634
Setou A B	Executive	484 162	19 872	3 600	45 110	17 280	121 040	300 732	507 634
Lesele K	Executive	484 162	19 872	3 600	47 364	0	121 040	315 758	507 634
Manganye T	Executive	484 162	19 872	3 600	47 364	0	121 040	315 758	507 634
Tlabyane D R	Executive	484 162	19 872	3 600	45 110	17 280	121 040	300 732	507 634
Motshegwe K	Executive	484 162	19 872	3 600	47 364	0	121 040	315 758	507 634
Vava S.S	MPAC	484 162	19 872	3 600	47 364	0	121 040	315 758	
Matshaba M.Z	Single Whip	484 162	19 872	3 600	48 187	0	114 730	321 246	507 635
COUNCILLOR									
Deleki N	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661
Ndlovu H	Councillor	193 665	12 396	3 600	16 692	17 280	48 416	111 277	209 661
Khunou M K	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661
Letlape A.T	Councilor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661
Lephoto E T	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661
Leoto D M	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661
Lukhele R.M	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661
Magodiolo M.A	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661
Makgothi M.S	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661
Manganye SM	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661
Mashishi S. N	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661
Matlapeng S.S	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661
Mekgwe J.D	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661
Rakatane B	Councillor	193 665	12 396	3 600	16 692	17 280	48 416	111 277	209 661
Mkhandawiri P.P	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661
Mngomezulu P. P	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661
Moate L	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661
Moatshe G.D	Councillor	193 665	12 396	3 600	16 692	17 280	48 416	111 277	209 661
Mokgathe M.M	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661
Moloi F	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661
Monyatsi V	Councillor	193 665	12 396	3 600	16 767	16 704	48 416	111 778	209 661
Monnakgotla T	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661
Selotlego J	Councillor	193 665	12 396	3 600	16 692	17 280	48 416	111 277	209 661
Moraope S.S	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661
Moeng T J	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661
Morua E.G	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661

## MOSES KOTANE LOCAL MUNICIPALITY

Annual Financial Statements for the year ended 30 June 2013

### Appendix G (Continued)

#### Disclosure of Allowance of Councilors

Name	Position	Total Package 2012/2013	Telephone Allowance	Data Facility	15% Pension	Medical	Travelling Allowance	SALARY	Total Package with Data Facility
Motshegoe D.M	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661
Mothaga P.R	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661
Nhlapo L.	Councillor	193 665	12 396	3 600	17 260	12 924	48 416	115 065	209 661
Ramapotoka G	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661
Motsoenyane M.Z	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661
Matshereng E	Councillor	193 665	12 396	3 600	16 692	17 280	48 416	111 277	209 661
Moyo D.F	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661
Masilo J	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661
Nondzaba M	Councillor	193 665	12 396	3 600	16 692	17 280	48 416	111 277	209 661
J Maretele	Councillor	193 665	12 396	3 600	16 692	17 280	48 416	111 277	209 661
Pele J.M	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661
Rasepae M.D	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661
Pheto M.R	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661
Ntshabele S	Councillor	193 665	12 396	3 600	17 260	12 924	48 416	115 065	209 661
Radiokana J.M	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661
Ramokoka A.R	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661
Sekao H.B	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661
Sekhu S.K	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661
Sitha M.L	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661
Tau D.D	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661
Thusi M.B	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661
Tshite L.M.J	Councillor	193 665	12 396	3 600	18 946	0	48 416	126 303	209 661